



# DEPARTMENT OF CONSERVATION

*Managing California's Working Lands*

## Division of Oil, Gas, & Geothermal Resources

801 K STREET • MS 20-20 • SACRAMENTO, CALIFORNIA 95814

PHONE 916 / 445-9686 • FAX 916 / 323-0424 • TDD 916 / 324-2555 • WEB SITE [conservation.ca.gov](http://conservation.ca.gov)

August 31, 2012

Carolyn Truong, Chief  
Grants Management Section (MTS-7)  
U.S. Environmental Protection Agency  
75 Hawthorne Street  
San Francisco, California 94105-3901

Subject: UIC GRANT APPLICATION FOR FY13 AND FY14 FOR GRANT  
NO: G-009216-13-0 AND G-009216-14-0

Dear Ms. Truong:

Enclosed is the Department of Conservation's Division of Oil, Gas, and Geothermal Resources UIC Grant Application for Federal Fiscal Years 2013 and 2014, in the amount of \$1,618,666. This amount includes proposed federal grant allocations of \$607,000 for each of FY13 and FY14 federal fiscal years and state matching funds in the amount of \$202,333 per year. This application reflects a two-year funding cycle and does not include any carryover funds.


If you have any questions, please feel free to contact Jerry Salera at (916) 323-1781 or at [jsalera@conservation.ca.gov](mailto:jsalera@conservation.ca.gov).

Sincerely,

Tim Kustic  
State Oil and Gas Supervisor

Enclosures

cc: George Robin, U.S. EPA – UIC  
Greg Lee, DOC Accounting Office  
Maria Roverso, U.S. EPA - Budgets

<b>APPLICATION FOR FEDERAL ASSISTANCE</b>  1. TYPE OF SUBMISSION <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		2. Date Submitted		Applicant Identifier  <b>94 - 2270812</b>	
		3. Date Received		State Application Identifier	
		4. Date Received by Federal Agency		Federal Identifier  <b>G 009216 - 12 - 0</b>	
5. Applicant Information					
Legal Name:  <b>Department of Conservation</b>			Organizational Unit:  <b>Division of Oil, Gas, and Geothermal Resources</b>		
Address (give city, county, state and zip code) <b>801 K. Street, MS 20 - 20 Sacramento, CA 95814-3530</b>			Name and telephone number of the person to be contacted on matters involving this application (give area code):  <b>Jerry Salera (916) 323-1781</b>		
6. EMPLOYER IDENTIFICATION (EIN)  <b>94 - 2270812</b>			7. TYPE OF APPLICANT: (enter appropriate letter here) <b>A</b> A. State                      H. Independent School District B. County                  I. State Controlled Institution of Higher Learning C. Municipal                J. Private University D. Township                K. Indian Tribe E. Interstate                L. Individual F. Intermunicipal          M. Profit Organization G. Special District        N. Other (Specify): _____		
8. TYPE OF APPLICATION <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input checked="" type="checkbox"/> Revision If revision, enter appropriate letter(s) in box(es): <input type="checkbox"/> <input type="checkbox"/> A. Increase Award        B. Decrease Award C. Increase Duration      D. Decrease Duration Other Specify: _____  _____			9. NAME OF FEDERAL AGENCY:  <b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>		
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: <b>66-433</b>  TITLE: <b>Underground Injection Control</b>			10. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:  <b>Underground Injection Control Program for Class II Well Injection</b>  <b>Two Year Application FY13 and FY14</b>		
11. AREAS AFFECTED BY PROJECT (cities, counties, states, etc.):  _____					
13. PROPOSED PROJECT:		14. CONGRESSIONAL DISTRICT OF:			
Start Date:  <b>10-1-2012</b>	End Date:  <b>9-30-2014</b>	a. Applicant:  <b>Department of Conservation Division of Oil, Gas, and Geothermal Resources</b>		b. Project:  <b>Statewide</b>	
15. Estimated Funding:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?			
a. Federal	\$ <b>1,214,000</b>	a. <b>YES</b> THIS PREAPPLICATION/ APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON:			
b. Applicant	\$ <b>404,666</b>	DATE: <b>09-04-2012</b>			
c. State	\$	b. NO <input type="checkbox"/> PROGRAM IS NOT COVERED BY E.O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW			
d. Local	\$	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?			
e. Other	\$	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No			
f. Program Income	\$	18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.			
g. TOTAL	\$ <b>1,618,666</b>	a. Typed Name of Authorized Representative:  <b>Tim Kustic</b>			
d. Signature of Authorized Representative:  		b. Title:  <b>State Oil and Gas Supervisor</b>		c. Telephone Number:  <b>(916) 445-9686</b>	
e. Date Signed:  <b>8/31/12</b>					

CALIFORNIA DIVISION OF OIL, GAS AND GEOTHERMAL RESOURCES  
UNDERGROUND INJECTION CONTROL PROGRAM

**BUDGET JUSTIFICATION OF OBJECT CLASS CATEGORIES**  
**Two Year Application**  
**FY 13 - 14**

1.	<u>Personnel</u>			\$ 732,506
	Sr. OG Engr @	FY13 \$107,233.44 + FY14 \$116,619.75	\$ 223,853	
	Ass OG Engr @	FY13 \$109,394.82 + FY14 \$117,430.00	\$ 226,825	
	2 EMRE Engr @	FY13 \$ 135,239.07 + FY 14 \$ 146,589.33	\$ 281,828	
2.	<u>Fringe Benefits</u>	FY13 \$ 351,867 + FY14 \$ 380,639 @ 35%	\$256,377	
3.	<u>Travel</u>		\$ 64,483	
	<i>Out-of-State:</i>			
	National Meeting of GWPC	\$ 2,000		
	<i>In-State:</i>			
	Injection Surveillance Committee Meetings:			
	Statewide 2xYear	\$ 6,000		
	Surveillance/Enforcement/Environmental			
	Statewide	\$ 53,483		
	GWPC Meeting	\$ 3,000		
4.	<u>Equipment</u>		\$ 17,000	
		\$ 17,000		
5.	<u>Supplies</u>		\$ 0	
	Paper, copier maintenance, etc.	\$ 0		
6.	<u>Contractual</u>		\$ 0	
7.	<u>Other</u>		\$ 165,009	
	Communications – telephone, telecopy, ATSS, interagency mail, repeater services, Mobile radio/base services, paging and answering machine services, highspeed line and e-permitting.	\$ 61,687		
	Rent	\$ 24,000		
	Association Fee (GWPC dues)	\$ 15,000		
	Data Entry	\$ 0		
	Training	\$ 55,000		
	Chemical Analysis	\$ 9,322		
8.	<u>Total Direct</u>		\$ 1,235,375	
9.	<u>Indirect Charge</u> – FY13 (38.76%) (most current Provisional Rate avail.)		\$ 383,291	
10.	<u>Total</u>	FY13 \$809,333	FY14 \$809,333	<u>\$ 1,618,666</u>
		Fed \$ 607,000	Fed \$ 607,000 = \$1,214,000	
		Sta \$ 202,333	Sta \$ 202,333 = \$ 404,666	

# BUDGET INFORMATION – Non-Construction Programs

## SECTION A - BUDGET SUMMARY

Grant Program Function Or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Class II UIC Program	66.433	\$ 0	\$ --	\$ 1,214,000	\$ 404,666	\$ 1,618,666.00
2.						.00
3.						.00
4.						.00
5. TOTALS		\$ 0	\$ --	\$ 1,214,000	\$ 404,666	\$ 1,618,666.00

## SECTION B – BUDGET CATEGORIES

6. OBJECT CLASS CATEGORIES  Two Year Grant Application FY13 and FY14	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1) Fed UIC FY 13- Fed UIC FY 14	(2) State Match	(3)	(4)	
a. Personnel	\$ 732,506	0	\$	\$	\$ 732,506.00
b. Fringe Benefits	256,377	0			256,377.00
c. Travel	0	64,483			64,483.00
d. Equipment	17,000	0			17,000.00
e. Supplies	0	0			0.00
f. Contractual	0	0			0.00
g. Construction	0	0			0.00
h. Other	50,000	115,009			165,009.00
i. Total Direct Charges (sum of 6a – 6h)	1,055,883	\$ 179,492			1,235,375.00
j. Indirect Charges	158,117	225,174			383,291.00
k. TOTALS (sum of 6i and 6j)	\$ 1,214,000.00	\$ 404,666.00	\$ .00	\$ .00	\$ 1,618,666.00
7. Program Income	\$ 1,214,000.00	\$ 404,666.00	\$	\$	\$ 1,618,666.00

Standard Form 424A (4-88)

SECTION C – NON-FEDERAL RESOURCES					
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS	
8. Underground Injection Control (Class II)	\$ 404,666			\$ 404,666	
9. Two Year Grant Application FY13 and FY14					
10.					
11.					
12. TOTAL (sum of lines 8 and 11)	\$ 404,666			\$ 404,666	
SECTION D – FORECASTED CASH NEEDS					
	(Total for 1 <sup>st</sup> Year)	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter
13. Federal	\$ 607,000 FY13 607,000 FY14	\$ 151,750 151,750	\$ 151,750 151,750	\$ 151,750 151,750	\$ 151,750 151,750
14. NonFederal	202,333 FY13 202,333 FY14	50,583.25 50,583.25	50,583.25 50,583.25	50,583.25 50,583.25	50,583.25 50,583.25
15. TOTAL (sum of lines 13 and 14)	809,333 FY13 809,333 FY14	202,333.25 202,333.25	202,333.25 202,333.25	202,333.25 202,333.25	202,333.25 202,333.25
SECTION E – BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT					
(a) Grant Program	FUTURE FUNDING PERIODS (Years)				
	(b) First	(c) Second	(d) Third	(e) Fourth	
16.	\$	\$	\$	\$	
17.					
18.					
19.					
20. TOTALS (sum of lines 16-19)	\$	\$	\$	\$	
SECTION F – OTHER BUDGET INFORMATION (attach additional sheets if Necessary)					
21. Direct Charges:		22. Indirect Charges: ICR is being negotiated. Est. 38.76% Personnel and Fringe.			
23. <b>Remarks:</b> The non-federal resources section reflects the 25% state matching portion of the federal requirement for grant matching funds and does not reflect the total cost to the Division of the management of the state's Class II UIC Program. <b>The cost to the Division for the management of the Class II UIC Program is estimated to average about \$7.3 million per year.</b>					

**Preadward Compliance Review Report for  
All Applicants Requesting Federal Financial Assistance**

FORM Approved  
OMB No.2090-0014  
Expires 4-30-99

**Note:** Read instructions on reverse side before completing form.

I. A. Applicant (Name, City, State)  Division of Oil, Gas, and Geothermal Resources 801 K Street, 20 <sup>th</sup> Floor MS 20-20 Sacramento, CA 94814-3530	B. Recipient (Name, City, State)  Not Applicable	C. EPA Project No.  Federal Identifier No. G - 009216 13-2
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II. Brief description of proposed project, program or activity.  
  
Underground Injection Control Program for Class II wells. Operation and maintenance of the Class II Program. Activities include permitting, monitoring, surveillance, compliance, enforcement of laws and regulations for the operation of injection wells for oil and gas production.

III. Are any civil rights lawsuits or complaints pending against applicant and/or recipient?  
If yes, list those complaints and the disposition of each complaint. \_\_ Yes X No

IV. Have any civil rights compliance reviews of the applicant and/or recipient been conducted by any Federal agency during the last two years prior to this application for activities which would receive EPA assistance?  
If yes, list those compliance reviews and status of each review. \_\_ Yes X No

V. Is any other Federal financial assistance being applied for or is any other Federal financial assistance being applied to any portion of this project, program or activity?  
If yes, list the other Federal Agency(s), describe the associate work and the dollar amount of assistance. \_\_ Yes X No


IV. If entire community under the applicant's jurisdiction is not served under the existing facilities/services, or will not be served under the proposed plan, give reasons why.  
  
Not Applicable

VII. Population Characteristics	Number of People
1. A. Population of Entire Service Area	N/A
B. Minority Population of Entire Service Area	N/A
2. A. Population Currently Being Served	N/A
B. Minority Population Currently Being Served	N/A
3. A. Population to be served by Project	N/A
B. Minority Population to be Served by Project, Program or Activity	N/A
4. A. Population to Remain Without Service	N/A
B. Minority Population to Remain Without Service	N/A

VIII. Will all new facilities or alterations to existing facilities financed by these funds be designed and constructed to be readily accessible to and usable by handicapped persons?  
If no, explain how a regulatory exception (40CFR7.70) applies. \_\_ Yes No  
Not Applicable

IX. Give the schedule for future projects, programs or activities (or future plans), by which services will be provided to all beneficiaries within applicant's jurisdiction. If there is no schedule, explain why.  
  
Not Applicable

X. I certify that the statements I have made on this form and all attachments thereto are true, accurate and complete. I acknowledge that any knowingly false or misleading statement may be punishable by fine or imprisonment or both under applicable law.

A. Signature of Authorized Official  Tim Kustic	B. Title of Authorized Official  State Oil and Gas Supervisor	C. Date  8/31/12
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**For the U.S. Environmental Protection Agency**

___ Approved ___ Disapproved	Authorized EPA Official	Date
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## INTERGOVERNMENTAL REVIEW FORM

1. APPLICANT NAME: Department of Conservation  
Division of Oil, Gas, and Geothermal Resources
2. CATALOG OF FEDERAL DOMESTIC ASSISTANCE (see list below):  
  
66.433 Underground Injection Control  
Title
3. IS THIS PROGRAM SUBJECT TO STATE INTERGOVERNMENTAL REVIEW  
PROCESS?  
  
X NO  
YES
4. APPLICATION/PREAPPLICATION/ NOTICE OF INTENT TO:  
a. State Agency on N/A  
Date  
b. Local Agency on N/A  
Date
5. THIS FORM COMPLETED BY: Tim Kustic 8/21/12  
Name Tim Kustic Date  
State Oil and Gas Supervisor

<u>CFDA Number</u>	<u>Program Title</u>
66.001	Air Pollution Control Program
66.418	Construction Grants for Wastewater Treatment Works
66.419	Water Pollution Control-State & Interstate Program Grants
66.454	Water Quality Management Planning
66.432	State Public Water System Supervision-Program Grants
66.433	State Underground Water Source Protection-Program Grants
66.438	Construction Management Assistance
66.801	Hazardous Waste Management Financial Assistance to States
66.600	Environmental Protection Consolidated Grants-Program Support
66.603	Loan Guarantees for Construction of Treatment Works
66.700	Pesticides Enforcement Program Grants
66.802	Superfund Cooperative Agreements (Remedial Clean-up)

RECIPIENT CERTIFICATION  
FOR RECIPIENTS OTHER THAN INDIVIDUALS

DRUG-FREE WORKPLACE ACT OF 1988

The Certification set forth below is a material representation of fact upon which reliance was placed when the Agency determined to award the assistance agreement. If it is later determined that the recipient knowingly rendered a false certification, or otherwise violated the requirements of the Drug-Free Workplace Act, the Agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.

- A. The grantee certifies that it will provide a drug-free workplace by:
- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
  - (b) Establishing a drug-free abuse in the workplace;
    - (1) The dangers of drug abuse in the workplace;
    - (2) The grantee's policy of maintaining a drug-free workplace;
    - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
    - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
  - (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
  - (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under that grant, the employee will - -
    - (1) Abide by the terms of the statement; and
    - (2) Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five days after such conviction;
  - (e) Notifying the Agency within ten days after receiving notice under subparagraph (d) (2) from an employee or otherwise receiving actual notice of such conviction;
  - (f) Taking one of the following actions, within 30 days of receiving notice under subparagraph (d) (2), with respect to any employee who is so convicted - -
    - (1) Taking appropriate personnel action against such an employee, up to and including termination; or
    - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;



- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

B. The grantee shall insert in the space provided below the site (s) for the performance of work done in connection with the specific grant:

Place of Performance:

Sacramento 801 K Street, MS-20, 18<sup>th</sup> & 20<sup>th</sup> Floor, Sacramento, CA 95814-3530.

Cypress 5816 Corporate Ave., Suite 200, Cypress, CA 90630-4731

Ventura 1000 South Hill Rd., Suite 116, Ventura, CA 93003-4458

Santa Maria 195 S. Broadway, Suite 101, Orcutt, CA 93455-4655

Bakersfield 4800 Stockdale Hwy., Suite 417, Bakersfield, CA 93309-0279

Coalinga 466 North Fifth St., Coalinga, CA 93210-1793

Dist. 6 801 K Street, MS-22, 20<sup>th</sup> floor, Sacramento, CA 95814-3530



Signature **Tim Kustic**  
State Oil and Gas Supervisor



Date

G 009216-13-0  
EPA Project Control Number

## **CERTIFICATION REGARDING LOBBYING**

### **CERTIFICATION FOR CONTRACTS, GRANTS, LOANS AND COOPERATIVE AGREEMENTS**

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.


(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including sub-contracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31 U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Tim Kustic                      State Oil and Gas Supervisor

Typed Name & Title of Authorized Representative

 8/31/12

Signature and Date of Authorized Representative

## KEY PEOPLE LIST

Please show street address as well as Post Office Box Number where applicable.

### AGENCY DIRECTOR

(Individual who is authorized to sign the assistance agreement application and award acceptance).

Name: Tim Kustic  
Title: State Oil and Gas Supervisor  
Address: 801 K Street MS 20-20  
Sacramento, California 95814-3530  
Phone: (916) 445-9686 or (916) 322-1777 FAX (916) 323-0424  
Email: Tim.Kustic@conservation.ca.gov

### PROGRAM DIRECTOR

(Technical program director: generally the same individual as the "contact person" in block #5 of the application.)

Name: Jerry Salera  
Title: UIC Program Manager  
Address: 801 K Street MS 20-20  
Sacramento, California 95814-3530  
Telephone: (916) 445-9686 or (916) 323-1781 FAX (916) 323-0424  
Email: Jerry.Salera@conservation.ca.gov

### FINANCE DIRECTOR

Name: Greg Lee  
Title: Accounting Administrator  
Address: 801 K Street MS 22-15  
Sacramento, California 95814  
Telephone: (916) 322-4403 FAX (916) 445-0433  
Email: Greg.Lee@conservation.ca.gov